







REPORT AND RECOMMENDATION TO THE DISTRICT COURT ON THE MOTION TO WITHDRAW THE REFERENCE

A motion to withdraw the reference of the above entitled adversary proceeding was filed on December 21, 2005. The bankruptcy court conducted a status conference concerning the motion to withdraw the reference on January 5, 2006. The bankruptcy court submits the following report to the United States District Court:

- 1. A response to the motion has been filed. The motion is opposed by the Plaintiff.
- 2. At the status conference on the motion to withdraw the reference, the bankruptcy court, on its own motion, announced that this adversary proceeding, along with nine other related adversary proceedings was stayed until the District Court rules on the motions to withdraw the reference filed in the individual adversary proceedings.

3. This proceeding involves both core and non-core matters. For non-core or mixed core and non-core matters, the Defendants do not consent to the entry of a final judgment or order by the bankruptcy court pursuant to 28 U.S.C. § 157(c)(2).

4. Several of the claims in this proceeding invoke the parties' right to a jury trial. A jury trial was timely requested by the Defendants. The Defendants do not consent to the bankruptcy judge conducting the jury trial pursuant to 11 U.S.C. § 157(e).

5. The parties are not currently ready for trial, but have agreed to set a scheduling conference and enter into a scheduling order after the District Court rules on the motion to withdraw the reference.

6. This adversary proceeding relates to a number of other pending adversary proceedings all arising in a single bankruptcy case. The proceedings will involve common issues and facts. Having a single bankruptcy judge determine discovery and pretrial matters promotes judicial economy. Therefore, the bankruptcy court recommends that the district court grant the motion to withdraw the reference upon certification by the bankruptcy court that the parties are ready for trial; and that the district court refer all pre-trial matters to the bankruptcy court.

Dated: ______

Respectfully submitted,

Judge Harlin D. Hale

United States Bankruptcy Judge

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cc: Counsel